



**Southern Star Central Gas Pipeline, Inc.**  
4700 State Route 56  
P.O. Box 20010  
Owensboro, Kentucky 42301  
Phone 270/852-5000

*Scott LaMar*  
*Director, Rates*  
*Phone: (270) 852-4560*  
*Email: [g.scott.lamar@southernstar.com](mailto:g.scott.lamar@southernstar.com)*

February 26, 2021

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

Re: Southern Star Central Gas Pipeline, Inc.  
Docket No. RP21-\_\_\_\_\_  
Scout Energy Group III  
Negotiated Rate Agreement

Dear Ms. Bose:

Southern Star Central Gas Pipeline, Inc. ("Southern Star") respectfully submits by eFiling the following new and revised tariff records to its FERC Gas Tariff, Original Volume No. 2 ("Volume No. 2"), related to an Amendment of an FTS-P Agreement and a new Negotiated Rate Agreement between Southern Star and Scout Energy Group III ("Scout"), both with a proposed effective date of March 1, 2021. The tariff records are being filed pursuant to Part 154 of the Rules and Regulations of the Federal Energy Regulatory Commission ("Commission") to incorporate changes as described further below.

<u>Tariff Records</u>	<u>Section</u>	<u>Version</u>
Conforming Service Agreements with Negotiated Rates		
TA27392 Scout Energy Group III – Amendment of FTS-P Agreement	3.2.1	8.0.0
TA27392 Scout Energy Group III – Negotiated Rate Agreement*	3.2.4	4.0.0

\* Negotiated rate agreement contains non-conforming capacity release crediting mechanism pursuant to GT&C Section 28.4(b).

### **List of Materials Enclosed**

In accordance with Section 154.7(a)(1) of the Commission's regulations, submitted herewith is an eTariff XML filing package, filed as a zip (compressed) file, containing:

- i. The proposed tariff record versions in RTF format with metadata attached;
- ii. A transmittal letter;
- iii. Appendix A – A clean version of the tariff records;
- iv. Appendix B – A marked version of the tariff records; and

- v. Appendix C containing a marked version of the TA27392 Negotiated Rate Agreement with Scout, with the non-conforming capacity release crediting mechanism shown as gray highlighted text. Appendix C is provided as supplemental information.

### **Statement of Nature, Reasons and Basis for Filing**

In Commission Order No. 714<sup>1</sup>, the Commission adopted regulations addressing the filing of negotiated rate and/or non-conforming service agreements filed under eTariff. Such agreements are filed as part of Volume No. 2 of Southern Star's FERC Gas Tariff. This filing submits new and revised agreements for inclusion in Volume No. 2.

**Scout Negotiated Rate Agreement with Conforming Service Agreement:** Southern Star is filing an Amendment of FTS-P Agreement and a new related Negotiated Rate Agreement for Scout. Southern Star and Scout have agreed to extend the term of the FTS-P Agreement to January 1, 2022, ten months beyond the term of the currently effective Amendment of FTS-P Agreement. Southern Star has also agreed to a new Negotiated Rate Agreement with Scout for the same extended term. The new negotiated rate agreement contains the same rates and terms and conditions as the currently effective agreement that will expire March 1, 2021. Southern Star is removing the expiring negotiated rate agreement from Volume No. 2 and replacing it with the new Negotiated Rate Agreement applicable to the extended term. The Negotiated Rate Agreement continues to contain a non-conforming capacity release crediting provision pursuant to GT&C Section 28.4(b) that has been previously accepted by the Commission. Otherwise the agreements are conforming.

The Scout Negotiated Rate Agreement sets forth the shipper's name, actual negotiated rates, applicable points of service, quantity to be transported and the applicable rate schedule (FTS-P) in compliance with GT&C Section 28.5 of Southern Star's Tariff.

### **Effective Date, Motion and Waiver**

Southern Star respectfully requests that the Commission grant any necessary waivers of Section 154.207 of its regulations and accept the filed agreements, effective March 1, 2021, which is the day on which Southern Star commences service at the negotiated rates under those agreements. In the event that the Commission elects to accept and suspend the tariff records submitted herein, in accordance with section 154.7(a)(9) of the Commission's regulations, Southern Star moves to place such tariff records into effect at the end of the applicable suspension period.

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<sup>1</sup> *Electronic Tariff Filings*, Order No. 714, 73 FR 57515 (Oct. 3, 2008), FERC Stats. and Regs. ¶ 31,276, at P 104 (2008).

Kimberly D. Bose, Secretary

February 26, 2021

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**Correspondence**

Southern Star respectfully requests that all Commission orders and correspondence, as well as pleadings and correspondence from other persons, concerning this filing be served upon:

Scott LaMar  
Director, Rates  
Southern Star Central Gas Pipeline, Inc.  
4700 State Route 56  
Owensboro, KY 42301  
Phone: (270) 852-4560  
[g.scott.lamar@southernstar.com](mailto:g.scott.lamar@southernstar.com)

Douglas Field  
Senior Attorney  
Southern Star Central Gas Pipeline, Inc.  
4700 State Route 56  
Owensboro, KY 42301  
Phone: (270) 852-4657  
[w.doug.field@southernstar.com](mailto:w.doug.field@southernstar.com)

If there are any questions pertaining to this filing, please contact any of the parties listed above.

**Posting and Certification of Service**

Copies of this filing are being distributed to Southern Star's jurisdictional customers and interested state commissions, as well as posted on CSI, Southern Star's online customer service system. A copy of this filing is available for public inspection during regular business hours at Southern Star's main office at 4700 State Route 56, Owensboro, KY 42301.

Sincerely,

SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

By: /s/ Scott LaMar

Scott LaMar  
Director, Rates  
(270) 852-4560

Enclosures

# **Appendix A**

Clean Version of the Tariff Records

February 22, 2021

TA27392

Scout Energy Group III 4901  
LBJ Freeway  
Suite 300  
Dallas, TX 75244

Dear Scout Energy Group III Representative:

Reference is made to the Transportation Agreement (Agreement) dated July 26, 2018, between Southern Star Central Gas Pipeline, Inc. (Southern Star) and Scout Energy Group III (Shipper) providing for the transportation of natural gas by Southern Star for Shipper.

Southern Star and Shipper hereby desire to amend the Agreement between them as follows:

A. SECTION IV, Term, Section 4.1 shall be deleted in its entirety and the following inserted in place thereof:

SECTION IV  
TERM

4.1 This Agreement shall become effective August 1, 2018, and shall continue in full force and effect until January 1, 2022.

The operation of the provisions of this amendment shall be subject to all applicable governmental statutes and all applicable and lawful orders, rules, and regulations. Except as herein amended, The Agreement between the parties hereto shall remain in full force and effect.

If the foregoing is in accordance with your understanding of our Agreement, please execute both original and return to us. We will, in turn, execute them and return one original for your records.

Very truly yours,

SOUTHERN STAR CENTRAL GAS PIPELINE,  
INC.

By /s/ Jimmy Staton  
(Signature)

Name Jimmy Staton  
(Please type or print)

Title President & CEO  
(Please type or print)

AGREED TO AND ACCEPTED this 23<sup>rd</sup> day of February, 2021.

SCOUT ENERGY GROUP III

By /s/ Marshall Dempsey  
(Signature)

Name Marshall Dempsey  
(Please type or print)

Title Director of Oil & Gas Marketing  
(Please type or print)

February 24, 2021

Scout Energy Group III  
Attn: Marshall Dempsey  
4901 LBJ Freeway, Ste. #300  
Dallas, TX 75244

RE: Negotiated Rate Agreement

Dear Marshall Dempsey:

Scout Energy Group III (Shipper) has requested a negotiated transportation rate to enable Shipper to move unprocessed gas from the former Satanta Processing Plant (Satanta) to the Jayhawk Processing Plant (Jayhawk) for processing. Southern Star Central Gas Pipeline, Inc. (Southern Star) has reviewed Shipper's request for a negotiated transportation rate and is willing to offer Shipper the following negotiated rate to enable Shipper's unprocessed Satanta gas to be processed at a plant connected to Southern Star's pipeline system:

Contract No.	TA 27392
Time Period:	March 1, 2021 to January 1, 2022
Rate Schedule:	FTS- P
Maximum Daily Transportation Quantity (MDTQ):	22,500 Dth/d in the Production Area
Negotiated Receipt Location:	15433 – Scout - Satanta
Negotiated Delivery Location:	19000 – Scout Jayhawk Delivery
Negotiated Daily Reservation Rate:	\$ 0.00 per Dth per day
Negotiated Commodity Rate:	The applicable Negotiated Commodity Rate shall be determined each month based on the quantity received at the Negotiated Receipt Location and delivered to Negotiated Delivery Location during the month under Contract No. TA27392 (Shipper's Monthly Delivered Quantity) as follows:  \$0.03 per Dth during any calendar month when Shipper's Monthly Delivered Quantity for that month is equal to or greater than 16,000 Dth times the number of days in the month;  or  \$0.04 per Dth during any calendar month when Shipper's Monthly Delivered Quantity for that month is less than 16,000 Dth times the number of days in the month.
Authorized Overrun:	Volumes committed under this Agreement in excess of 22,500 Dth/d which are tendered by Shipper and accepted for transportation by Southern Star.

Negotiated Authorized Overrun Rate: The Negotiated Authorized Overrun Rate, which shall be the negotiated rate applicable to Authorized Overruns, shall be equal to the applicable Negotiated Commodity Rate.

Fuel: Zero fuel and loss per Section 13.6 of the General Terms and Conditions of Southern Star's FERC Gas Tariff.

Maximum Surcharges: Any applicable surcharges will be charged at maximum rates per Southern Star's Tariff.

Conditions: The Negotiated Reservation Rate, Negotiated Commodity Rate, and Negotiated Authorized Overrun Rate (collectively Negotiated Rates) provided for above are specifically designed only for receipts of unprocessed gas from the Negotiated Receipt Location for delivery to the Negotiated Delivery Location for processing as listed above. Therefore, Shipper's Negotiated Reservation Rate shall be zero and Shipper's commodity and authorized overrun rates will be the Negotiated Commodity Rate, provided Shipper (or any replacement shipper using the capacity) transports from the Negotiated Receipt Location specifically identified above to the Negotiated Delivery Location identified above. In any other instance, the Negotiated Rates shall not apply and such quantities will be billed at the maximum reservation, commodity and authorized overrun rates as stated in Southern Star's tariff.

FERC Rate Re-opener: In the event that, during anytime during the Time Period of this agreement, the Federal Energy Regulatory Commission ("FERC") issues an order requiring the re-classification of Southern Star's Line RI (the line connecting Location 15433- Scout - Satanta with 19000 – Scout Jayhawk Delivery) and requiring Southern Star to specifically allocate costs to Line RI, or to the services being received by Shipper for transportation through Line RI, so that the unit cost of service derived for transportation through Line RI is greater than the Negotiated Commodity Rate, then, as of the effective date of such order, the Negotiated Commodity Rate shall be increased to equal such cost-of-service rate derived for Line RI; provided, however, such increased Negotiated Commodity Rate shall not exceed \$0.04 per Dth.

Capacity Release: Shipper may release all or any part of its contract to a replacement shipper, but the replacement shipper's rates will be determined by the terms of the release, not this negotiated rate agreement.

Agreed-upon Capacity Release Crediting Mechanism for Temporary Releases: Each month, Southern Star will credit Shipper for any revenue received from the replacement shipper(s) up to an amount equal to Shipper's Negotiated Commodity Rate times the quantity transported by the replacement shipper(s) during such month, and Shipper will pay Southern Star for the difference, if any, between Shipper's Negotiated Commodity Rate times the quantity transported by the replacement shipper(s) during such month and the amount actually received from the replacement shipper(s). Southern Star will retain all revenues received from the replacement shipper(s) in excess of the amount determined

by multiplying Shipper's Negotiated Commodity Rate times, the quantity transported by the replacement shipper(s) during such month.



Potential Additional Charges: As noted under the Location Conditions, Shipper may be subject to additional charges if it releases its capacity since Shipper's reservation rates will not be the Negotiated Reservation Rate as stated herein if the replacement shipper desires service at different locations than provided herein. Shipper will be charged Southern Star's maximum tariff rates in effect on all quantities released at or received from or delivered to points other than the Negotiated Receipt Location or Negotiated Delivery Location provided herein. As a Special Term of the release, however, Shipper may obligate the replacement shipper to be responsible for any such additional charges, in which case such additional charges will be collected from the replacement shipper per the terms of the release and will be credited against the additional charges owed by Shipper hereunder.

Because this agreement establishes negotiated rates and contains non-conforming provisions, both parties acknowledge and agree that the negotiated rates and non-conforming provisions will be filed with the FERC as part of Southern Star's tariff. If FERC issues an order on this negotiated rate agreement and the non-conforming provisions contained herein that does not accept the agreement without condition or modification, and such conditions and modifications are not mutually agreeable to both Southern Star and Shipper, this negotiated rate agreement and the associated FTS-P transportation services agreement shall terminate and be null and void and of no further force or effect.

In the event of a conflict between this agreement and Southern Star's FERC Gas Tariff, the Tariff will control.

This agreement was prepared through the joint efforts of the parties and shall not be construed against either party as a result of the preparation or drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Negotiated Rate Agreement or any specific provision hereof.

**To indicate your acceptance of these Negotiated Rates, please return a signed original of this Negotiated Rate Agreement to Southern Star either at the address listed above, via PDF attachment to an email directed to [sscontractadministration@southernstar.com](mailto:sscontractadministration@southernstar.com) or via fax at 270/852-5027.** The above Negotiated Rates will become null and void if changes are made to this original Negotiated Rate Agreement.

Very truly yours,

**Southern Star Central Gas Pipeline, Inc.**

By /s/ Tamara Wilson

Name: Tamara Wilson

Title: CFO

Date of execution by Southern Star: 2/26/21

**AGREED TO AND ACCEPTED** this 26th day of February, 2021 by:

**Scout Energy Group III**

By /s/ Marshall Dempsey

Name: Marshall Dempsey

Title: Director of Oil & Gas Marketing

# **Appendix B**

Marked Version of the Tariff Records

February 22, 2021

TA27392

Scout Energy Group III 4901

LBJ Freeway

Suite 300

Dallas, TX 75244

Dear Scout Energy Group III Representative:

Reference is made to the Transportation Agreement (Agreement) dated July 26, 2018, between Southern Star Central Gas Pipeline, Inc. (Southern Star) and Scout Energy Group III (Shipper) providing for the transportation of natural gas by Southern Star for Shipper.

Southern Star and Shipper hereby desire to amend the Agreement between them as follows:

A. SECTION IV, Term, Section 4.1 shall be deleted in its entirety and the following inserted in place thereof:

SECTION IV  
TERM

4.1 This Agreement shall become effective August 1, 2018, and shall continue in full force and effect until January 1, 2022.

The operation of the provisions of this amendment shall be subject to all applicable governmental statutes and all applicable and lawful orders, rules, and regulations. Except as herein amended, The Agreement between the parties hereto shall remain in full force and effect.

If the foregoing is in accordance with your understanding of our Agreement, please execute both original and return to us. We will, in turn, execute them and return one original for your records.

Very truly yours,

SOUTHERN STAR CENTRAL GAS PIPELINE,  
INC.

By /s/ Jimmy Staton  
(Signature)

Name Jimmy Staton  
(Please type or print)

Title President & CEO  
(Please type or print)

AGREED TO AND ACCEPTED this 23<sup>rd</sup> day of February, 2021.

SCOUT ENERGY GROUP III

By /s/ Marshall Dempsey  
(Signature)

Name Marshall Dempsey  
(Please type or print)

Title Director of Oil & Gas Marketing  
(Please type or print)

~~April 16, 2020~~

~~TA27392~~

~~Scout Energy Group III  
4901 LBJ Freeway  
Suite 300  
Dallas, TX 75244~~

~~Dear Scout Energy Group III Representative:~~

~~Reference is made to the Transportation Agreement (Agreement) dated July 26, 2018, between Southern Star Central Gas Pipeline, Inc. (Southern Star) and Scout Energy Group III (Shipper) providing for the transportation of natural gas by Southern Star for Shipper.~~

~~Southern Star and Shipper hereby desire to amend the Agreement between them as follows:~~

~~A. SECTION IV, Term, Section 4.1 shall be deleted in its entirety and the following inserted in place thereof:~~

~~SECTION IV  
TERM~~

~~4.1 This Agreement shall become effective August 1, 2018, and shall continue in full force and effect until March 1, 2021.~~

~~The operation of the provisions of this amendment shall be subject to all applicable governmental statutes and all applicable and lawful orders, rules, and regulations. Except as herein amended, The Agreement between the parties hereto shall remain in full force and effect.~~

~~If the foregoing is in accordance with your understanding of our Agreement, please execute both original and return to us. We will, in turn, execute them and return one original for your records.~~

~~Very truly yours,~~

~~SOUTHERN STAR CENTRAL GAS  
PIPELINE, INC.~~

~~By       /s/       Matt McCoy~~

*(Signature)*

Name           Matt McCoy          

*(Please type or print)*

Title           Director of Commercial Services          

*(Please type or print)*

~~AGREED TO AND ACCEPTED~~ this 21 day of April, 2020.

~~SCOUT ENERGY GROUP III~~

By           /s/ Marshall Dempsey          

*(Signature)*

Name           Marshall Dempsey          

*(Please type or print)*

Title           Director of Oil & Gas Marketing          

*(Please type or print)*

February 24, 2021

Scout Energy Group III  
Attn: Marshall Dempsey  
4901 LBJ Freeway, Ste. #300  
Dallas, TX 75244

RE: Negotiated Rate Agreement

Dear Marshall Dempsey:

Scout Energy Group III (Shipper) has requested a negotiated transportation rate to enable Shipper to move unprocessed gas from the former Satanta Processing Plant (Satanta) to the Jayhawk Processing Plant (Jayhawk) for processing. Southern Star Central Gas Pipeline, Inc. (Southern Star) has reviewed Shipper's request for a negotiated transportation rate and is willing to offer Shipper the following negotiated rate to enable Shipper's unprocessed Satanta gas to be processed at a plant connected to Southern Star's pipeline system:

Contract No. TA 27392  
Time Period: March 1, 2021 to January 1, 2022  
Rate Schedule: FTS- P  
Maximum Daily Transportation  
Quantity (MDTQ): 22,500 Dth/d in the Production Area

Negotiated Receipt Location: 15433 – Scout - Satanta  
Negotiated Delivery Location: 19000 – Scout Jayhawk Delivery

Negotiated Daily Reservation Rate: \$ 0.00 per Dth per day  
Negotiated Commodity Rate: The applicable Negotiated Commodity Rate shall be determined each month based on the quantity received at the Negotiated Receipt Location and delivered to Negotiated Delivery Location during the month under Contract No. TA27392 (Shipper's Monthly Delivered Quantity) as follows:

\$0.03 per Dth during any calendar month when Shipper's Monthly Delivered Quantity for that month is equal to or greater than 16,000 Dth times the number of days in the month;

or

\$0.04 per Dth during any calendar month when Shipper's Monthly Delivered Quantity for that month is less than 16,000 Dth times the number of days in the month.

Authorized Overrun: Volumes committed under this Agreement in excess of 22,500 Dth/d which are tendered by Shipper and accepted for transportation by Southern Star.

Negotiated Authorized Overrun Rate: The Negotiated Authorized Overrun Rate, which shall be the negotiated rate applicable to Authorized Overruns, shall be equal to the applicable Negotiated Commodity Rate.

Fuel: Zero fuel and loss per Section 13.6 of the General Terms and Conditions of Southern Star's FERC Gas Tariff.

Maximum Surcharges: Any applicable surcharges will be charged at maximum rates per Southern Star's Tariff.

Conditions: The Negotiated Reservation Rate, Negotiated Commodity Rate, and Negotiated Authorized Overrun Rate (collectively Negotiated Rates) provided for above are specifically designed only for receipts of unprocessed gas from the Negotiated Receipt Location for delivery to the Negotiated Delivery Location for processing as listed above. Therefore, Shipper's Negotiated Reservation Rate shall be zero and Shipper's commodity and authorized overrun rates will be the Negotiated Commodity Rate, provided Shipper (or any replacement shipper using the capacity) transports from the Negotiated Receipt Location specifically identified above to the Negotiated Delivery Location identified above. In any other instance, the Negotiated Rates shall not apply and such quantities will be billed at the maximum reservation, commodity and authorized overrun rates as stated in Southern Star's tariff.

FERC Rate Re-opener: In the event that, during anytime during the Time Period of this agreement, the Federal Energy Regulatory Commission ("FERC") issues an order requiring the re-classification of Southern Star's Line RI (the line connecting Location 15433- Scout - Satanta with 19000 – Scout Jayhawk Delivery) and requiring Southern Star to specifically allocate costs to Line RI, or to the services being received by Shipper for transportation through Line RI, so that the unit cost of service derived for transportation through Line RI is greater than the Negotiated Commodity Rate, then, as of the effective date of such order, the Negotiated Commodity Rate shall be increased to equal such cost-of-service rate derived for Line RI; provided, however, such increased Negotiated Commodity Rate shall not exceed \$0.04 per Dth.

Capacity Release: Shipper may release all or any part of its contract to a replacement shipper, but the replacement shipper's rates will be determined by the terms of the release, not this negotiated rate agreement.

Agreed-upon Capacity Release Crediting Mechanism for Temporary Releases: Each month, Southern Star will credit Shipper for any revenue received from the replacement shipper(s) up to an amount equal to Shipper's Negotiated Commodity Rate times the quantity transported by the replacement shipper(s) during such month, and Shipper will pay Southern Star for the difference, if any, between Shipper's Negotiated Commodity Rate times the quantity transported by the replacement shipper(s) during such month and the amount actually received from the replacement shipper(s). Southern Star will retain all revenues received from the replacement shipper(s) in excess of the amount determined

by multiplying Shipper's Negotiated Commodity Rate times, the quantity transported by the replacement shipper(s) during such month.



Potential Additional Charges: As noted under the Location Conditions, Shipper may be subject to additional charges if it releases its capacity since Shipper's reservation rates will not be the Negotiated Reservation Rate as stated herein if the replacement shipper desires service at different locations than provided herein. Shipper will be charged Southern Star's maximum tariff rates in effect on all quantities released at or received from or delivered to points other than the Negotiated Receipt Location or Negotiated Delivery Location provided herein. As a Special Term of the release, however, Shipper may obligate the replacement shipper to be responsible for any such additional charges, in which case such additional charges will be collected from the replacement shipper per the terms of the release and will be credited against the additional charges owed by Shipper hereunder.

Because this agreement establishes negotiated rates and contains non-conforming provisions, both parties acknowledge and agree that the negotiated rates and non-conforming provisions will be filed with the FERC as part of Southern Star's tariff. If FERC issues an order on this negotiated rate agreement and the non-conforming provisions contained herein that does not accept the agreement without condition or modification, and such conditions and modifications are not mutually agreeable to both Southern Star and Shipper, this negotiated rate agreement and the associated FTS-P transportation services agreement shall terminate and be null and void and of no further force or effect.

In the event of a conflict between this agreement and Southern Star's FERC Gas Tariff, the Tariff will control.

This agreement was prepared through the joint efforts of the parties and shall not be construed against either party as a result of the preparation or drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Negotiated Rate Agreement or any specific provision hereof.

To indicate your acceptance of these Negotiated Rates, please return a signed original of this Negotiated Rate Agreement to Southern Star either at the address listed above, via PDF attachment to an email directed to [sscontractadministration@southernstar.com](mailto:sscontractadministration@southernstar.com) or via fax at 270/852-5027. The above Negotiated Rates will become null and void if changes are made to this original Negotiated Rate Agreement.

Very truly yours,

Southern Star Central Gas Pipeline, Inc.

By /s/ Tamara Wilson

Name: Tamara Wilson

Title: CFO

Date of execution by Southern Star: 2/26/21

AGREED TO AND ACCEPTED this 26th day of February, 2021 by:

Scout Energy Group III

By /s/ Marshall Dempsey

Name: Marshall Dempsey

Title: Director of Oil & Gas Marketing April 15, 2020

Scout Energy Group III

~~Attn: Marshall Dempsey  
4901 LBJ Freeway, Ste. #300  
Dallas, TX 75244~~

~~RE: Negotiated Rate Agreement~~

~~Dear Marshall Dempsey:~~

~~Scout Energy Group III (Shipper) has requested a negotiated transportation rate to enable Shipper to move unprocessed gas from the former Satanta Processing Plant (Satanta) to the Jayhawk Processing Plant (Jayhawk) for processing. Southern Star Central Gas Pipeline, Inc. (Southern Star) has reviewed Shipper's request for a negotiated transportation rate and is willing to offer Shipper the following negotiated rate to enable Shipper's unprocessed Satanta gas to be processed at a plant connected to Southern Star's pipeline system:~~

~~Contract No.: TA 27392  
Time Period: May 1, 2020 to March 1, 2021  
Rate Schedule: FTS-P  
Maximum Daily Transportation  
Quantity (MDTQ): 22,500 Dth/d in the Production Area~~

~~Negotiated Receipt Location: 15433 Scout Satanta  
Negotiated Delivery Location: 19000 Scout Jayhawk Delivery~~

~~Negotiated Daily Reservation Rate: \$ 0.00 per Dth per day  
Negotiated Commodity Rate: The applicable Negotiated Commodity Rate shall be determined each month based on the quantity received at the Negotiated Receipt Location and delivered to Negotiated Delivery Location during the month under Contract No. TA27392 (Shipper's Monthly Delivered Quantity) as follows:~~

~~\$0.03 per Dth during any calendar month when Shipper's Monthly Delivered Quantity for that month is equal to or greater than 16,000 Dth times the number of days in the month;~~

~~or~~

~~\$0.04 per Dth during any calendar month when Shipper's Monthly Delivered Quantity for that month is less than 16,000 Dth times the number of days in the month.~~

~~Authorized Overrun: Volumes committed under this Agreement in excess of 22,500 Dth/d which are tendered by Shipper and accepted for transportation by Southern Star.~~

~~Negotiated Authorized Overrun Rate: The Negotiated Authorized Overrun Rate, which shall be the negotiated rate applicable to Authorized Overruns, shall be equal to the applicable Negotiated Commodity Rate.~~

- ~~Fuel: Zero fuel and loss per Section 13.6 of the General Terms and Conditions of Southern Star's FERC Gas Tariff.~~
- ~~Maximum Surcharges: Any applicable surcharges will be charged at maximum rates per Southern Star's Tariff.~~
- ~~Conditions: The Negotiated Reservation Rate, Negotiated Commodity Rate, and Negotiated Authorized Overrun Rate (collectively Negotiated Rates) provided for above are specifically designed only for receipts of unprocessed gas from the Negotiated Receipt Location for delivery to the Negotiated Delivery Location for processing as listed above. Therefore, Shipper's Negotiated Reservation Rate shall be zero and Shipper's commodity and authorized overrun rates will be the Negotiated Commodity Rate, provided Shipper (or any replacement shipper using the capacity) transports from the Negotiated Receipt Location specifically identified above to the Negotiated Delivery Location identified above. In any other instance, the Negotiated Rates shall not apply and such quantities will be billed at the maximum reservation, commodity and authorized overrun rates as stated in Southern Star's tariff.~~
- ~~FERC Rate Re-opener: In the event that, during anytime during the Time Period of this agreement, the Federal Energy Regulatory Commission ("FERC") issues an order requiring the re-classification of Southern Star's Line RI (the line connecting Location 15433 Scout Satanta with 19000 Scout Jayhawk Delivery) and requiring Southern Star to specifically allocate costs to Line RI, or to the services being received by Shipper for transportation through Line RI, so that the unit cost of service derived for transportation through Line RI is greater than the Negotiated Commodity Rate, then, as of the effective date of such order, the Negotiated Commodity Rate shall be increased to equal such cost of service rate derived for Line RI; provided, however, such increased Negotiated Commodity Rate shall not exceed \$0.04 per Dth.~~
- ~~Capacity Release: Shipper may release all or any part of its contract to a replacement shipper, but the replacement shipper's rates will be determined by the terms of the release, not this negotiated rate agreement.~~
- ~~Agreed-upon Capacity Release Crediting Mechanism for Temporary Releases: Each month, Southern Star will credit Shipper for any revenue received from the replacement shipper(s) up to an amount equal to Shipper's Negotiated Commodity Rate times the quantity transported by the replacement shipper(s) during such month, and Shipper will pay Southern Star for the difference, if any, between Shipper's Negotiated Commodity Rate times the quantity transported by the replacement shipper(s)~~

~~during such month and the amount actually received from the replacement shipper(s). Southern Star will retain all revenues received from the replacement shipper(s) in excess of the amount determined by multiplying Shipper's Negotiated Commodity Rate times the quantity transported by the replacement shipper(s) during such month.~~

~~Potential Additional Charges: As noted under the Location Conditions, Shipper may be subject to additional charges if it releases its capacity since Shipper's reservation rates will not be the Negotiated Reservation Rate as stated herein if the replacement shipper desires service at different locations than provided herein. Shipper will be charged Southern Star's maximum tariff rates in effect on all quantities released at or received from or delivered to points other than the Negotiated Receipt Location or Negotiated Delivery Location provided herein. As a Special Term of the release, however, Shipper may obligate the replacement shipper to be responsible for any such additional charges, in which case such additional charges will be collected from the replacement shipper per the terms of the release and will be credited against the additional charges owed by Shipper hereunder.~~

~~Because this agreement establishes negotiated rates and contains non-conforming provisions, both parties acknowledge and agree that the negotiated rates and non-conforming provisions will be filed with the FERC as part of Southern Star's tariff. If FERC issues an order on this negotiated rate agreement and the non-conforming provisions contained herein that does not accept the agreement without condition or modification, and such conditions and modifications are not mutually agreeable to both Southern Star and Shipper, this negotiated rate agreement and the associated FTS-P transportation services agreement shall terminate and be null and void and of no further force or effect.~~

~~In the event of a conflict between this agreement and Southern Star's FERC Gas Tariff, the Tariff will control.~~

~~**Effective May 1, 2020, this Negotiated Rate Agreement terminates, supersedes and replaces the February 28, 2020 Negotiated Rate Agreement for Contract No. TA27392.**~~

~~This agreement was prepared through the joint efforts of the parties and shall not be construed against either party as a result of the preparation or drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Negotiated Rate Agreement or any specific provision hereof.~~

~~**To indicate your acceptance of these Negotiated Rates, please return a signed original of this Negotiated Rate Agreement to Southern Star either at the address listed above, via PDF attachment to an email directed to [sscontractadministration@southernstar.com](mailto:sscontractadministration@southernstar.com) or via fax at 270/852-5027.** The above Negotiated Rates will become null and void if changes are made to this original Negotiated Rate Agreement.~~

~~Very truly yours,~~

~~**Southern Star Central Gas Pipeline, Inc.**~~

~~By /s/ Matt McCoy~~

Name: ~~Matt McCoy~~  
Title: ~~Director, Commercial Services~~  
Date of execution by Southern Star: ~~April 24, 2020~~

~~AGREED TO AND ACCEPTED~~ this 22<sup>nd</sup> day of April, 2020 by:

~~Scout Energy Group III~~

By /s/ Marshall Dempsey

Name: ~~Marshall Dempsey~~

Title: ~~Director of Oil & Gas Marketing~~

# Appendix C

## Supplemental Information

Negotiated Rate Agreement with the non-conforming capacity release crediting mechanism shown as gray highlighted text.



**Southern Star Central Gas Pipeline, Inc.**

4700 State Route 56  
P. O. Box 20010  
Owensboro, Kentucky 42301  
Phone 270/852-5000

February 24, 2021

Scout Energy Group III  
Attn: Marshall Dempsey  
4901 LBJ Freeway, Ste. #300  
Dallas, TX 75244

RE: Negotiated Rate Agreement

Dear Marshall Dempsey:

Scout Energy Group III (Shipper) has requested a negotiated transportation rate to enable Shipper to move unprocessed gas from the former Satanta Processing Plant (Satanta) to the Jayhawk Processing Plant (Jayhawk) for processing. Southern Star Central Gas Pipeline, Inc. (Southern Star) has reviewed Shipper's request for a negotiated transportation rate and is willing to offer Shipper the following negotiated rate to enable Shipper's unprocessed Satanta gas to be processed at a plant connected to Southern Star's pipeline system:

Contract No.	TA 27392
Time Period:	March 1, 2021 to January 1, 2022
Rate Schedule:	FTS- P
Maximum Daily Transportation Quantity (MDTQ):	22,500 Dth/d in the Production Area
Negotiated Receipt Location:	15433 – Scout - Satanta
Negotiated Delivery Location:	19000 – Scout Jayhawk Delivery
Negotiated Daily Reservation Rate:	\$ 0.00 per Dth per day
Negotiated Commodity Rate:	The applicable Negotiated Commodity Rate shall be determined each month based on the quantity received at the Negotiated Receipt Location and delivered to Negotiated Delivery Location during the month under Contract No. TA27392 (Shipper's Monthly Delivered Quantity) as follows:

\$0.03 per Dth during any calendar month when Shipper's Monthly Delivered Quantity for that month is equal to or greater than 16,000 Dth times the number of days in the month;

or

\$0.04 per Dth during any calendar month when Shipper's Monthly Delivered Quantity for that month is less than 16,000 Dth times the number of days in the month.

Authorized Overrun:	Volumes committed under this Agreement in excess of 22,500 Dth/d which are tendered by Shipper and accepted for transportation by Southern Star.
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**Negotiated Authorized Overrun Rate:** The Negotiated Authorized Overrun Rate, which shall be the negotiated rate applicable to Authorized Overruns, shall be equal to the applicable Negotiated Commodity Rate.

**Fuel:** Zero fuel and loss per Section 13.6 of the General Terms and Conditions of Southern Star's FERC Gas Tariff.

**Maximum Surcharges:** Any applicable surcharges will be charged at maximum rates per Southern Star's Tariff.

**Conditions:** The Negotiated Reservation Rate, Negotiated Commodity Rate, and Negotiated Authorized Overrun Rate (collectively Negotiated Rates) provided for above are specifically designed only for receipts of unprocessed gas from the Negotiated Receipt Location for delivery to the Negotiated Delivery Location for processing as listed above. Therefore, Shipper's Negotiated Reservation Rate shall be zero and Shipper's commodity and authorized overrun rates will be the Negotiated Commodity Rate, provided Shipper (or any replacement shipper using the capacity) transports from the Negotiated Receipt Location specifically identified above to the Negotiated Delivery Location identified above. In any other instance, the Negotiated Rates shall not apply and such quantities will be billed at the maximum reservation, commodity and authorized overrun rates as stated in Southern Star's tariff.

**FERC Rate Re-opener:** In the event that, during anytime during the Time Period of this agreement, the Federal Energy Regulatory Commission ("FERC") issues an order requiring the re-classification of Southern Star's Line RI (the line connecting Location 15433-Scout - Satanta with 19000 - Scout Jayhawk Delivery) and requiring Southern Star to specifically allocate costs to Line RI, or to the services being received by Shipper for transportation through Line RI, so that the unit cost of service derived for transportation through Line RI is greater than the Negotiated Commodity Rate, then, as of the effective date of such order, the Negotiated Commodity Rate shall be increased to equal such cost-of-service rate derived for Line RI; provided, however, such increased Negotiated Commodity Rate shall not exceed \$0.04 per Dth.

**Capacity Release:** Shipper may release all or any part of its contract to a replacement shipper, but the replacement shipper's rates will be determined by the terms of the release, not this negotiated rate agreement.

**Agreed-upon Capacity Release Crediting Mechanism for Temporary Releases:** Each month, Southern Star will credit Shipper for any revenue received from the replacement shipper(s) up to an amount equal to Shipper's Negotiated Commodity Rate times the quantity transported by the replacement shipper(s) during such month, and Shipper will pay Southern Star for the difference, if any, between Shipper's Negotiated Commodity Rate times the quantity transported by the replacement shipper(s) during such month and the amount actually received from the replacement shipper(s). Southern Star will retain all revenues received from the replacement shipper(s) in excess of the amount determined



by multiplying Shipper's Negotiated Commodity Rate times, the quantity transported by the replacement shipper(s) during such month.

Potential Additional Charges: As noted under the Location Conditions, Shipper may be subject to additional charges if it releases its capacity since Shipper's reservation rates will not be the Negotiated Reservation Rate as stated herein if the replacement shipper desires service at different locations than provided herein. Shipper will be charged Southern Star's maximum tariff rates in effect on all quantities released at or received from or delivered to points other than the Negotiated Receipt Location or Negotiated Delivery Location provided herein. As a Special Term of the release, however, Shipper may obligate the replacement shipper to be responsible for any such additional charges, in which case such additional charges will be collected from the replacement shipper per the terms of the release and will be credited against the additional charges owed by Shipper hereunder.

Because this agreement establishes negotiated rates and contains non-conforming provisions, both parties acknowledge and agree that the negotiated rates and non-conforming provisions will be filed with the FERC as part of Southern Star's tariff. If FERC issues an order on this negotiated rate agreement and the non-conforming provisions contained herein that does not accept the agreement without condition or modification, and such conditions and modifications are not mutually agreeable to both Southern Star and Shipper, this negotiated rate agreement and the associated FTS-P transportation services agreement shall terminate and be null and void and of no further force or effect.

In the event of a conflict between this agreement and Southern Star's FERC Gas Tariff, the Tariff will control.

This agreement was prepared through the joint efforts of the parties and shall not be construed against either party as a result of the preparation or drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Negotiated Rate Agreement or any specific provision hereof.

**To indicate your acceptance of these Negotiated Rates, please return a signed original of this Negotiated Rate Agreement to Southern Star either at the address listed above, via PDF attachment to an email directed to [sscontractadministration@southernstar.com](mailto:sscontractadministration@southernstar.com) or via fax at 270/852-5027.** The above Negotiated Rates will become null and void if changes are made to this original Negotiated Rate Agreement.

Very truly yours,

**Southern Star Central Gas Pipeline, Inc.**

By /s/ Tamara Wilson

Name: Tamara Wilson

Title: CFO

Date of execution by Southern Star: 2/26/21

**AGREED TO AND ACCEPTED** this 26th day of February, 2021 by:

**Scout Energy Group III**

By /s/ Marshall Dempsey

Name: Marshall Dempsey

Title: Director of Oil & Gas Marketing